



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 15, 2016

Certified Return Receipt
7014 2870 0001 4231 9449

Kyle Kimmerle
Kimmerle Mining LLC
2056 Simpatica Court
Moab, Utah 84532

Subject: Division Directive to Reclaim and Provide a Completed IRS W-9 Form, Kimmerle Mining LLC, Neighbor 2 Mine, S/037/0119, San Juan County, Utah

Dear Mr. Kimmerle:

As per rule R647-3-113.5, the Division of Oil Gas and Mining hereby requires reclamation of the Neighbor 2 Mine. The Division is taking this action based on its records which indicate the Neighbor 2 Mine has been inactive since it was originally permitted in January 2006. This rule states in part:

“Reclamation of a small mining operation may be required after five (5) years of continued suspension. The Division will require complete reclamation of the mine site when the suspension period exceeds 10 years, unless the operator appeals to the Board prior to the expiration of the 10-year period and shows good cause for a longer suspension period.”

A letter was sent to you in May 2015 notifying you of the pending end of the 10-year period and giving you the opportunity to petition the Board of Oil, Gas and Mining by October 26, 2015, for an extension of the suspension. To date, no petition has been received and therefore, the requirements of R647-3-113.5 must be enforced.

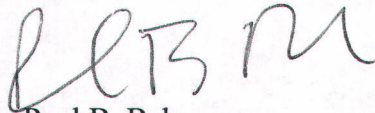
After consulting with the BLM Monticello Field Office, the BLM and the Division agree that the only reclamation requirements are to remove all equipment brought on to the site, such as the small drill rig. You are hereby directed to complete reclamation by May 1, 2016. This date should permit weather conditions to stabilize to allow access.

Page 2 of 2
Kyle Kimmerle
S/037/0119
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If you complete reclamation as directed, you will be eligible to receive a refund of the cash reclamation surety; however, the Division must receive a completed W-9 form before any money can be released from Zions Bank. This form is required by the Internal Revenue Service.

Failure to complete reclamation as required may result in forfeiture of the reclamation surety, enforcement action and associated fines. Please contact Mike Bradley at 801-538-5332, or me at 801-538-5261 if you have questions or concerns about this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Minerals Program Manager

PBB: mpb: eb
cc: Ted McDougall, BLM Monticello FO (tmcDoug@blm.gov)
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